



Dr Nkosazana Dlamini Zuma Municipality

Postal: Address: P. O. Box 62, Creighton 3263, Physical Address: Main Street, Creighton, 3263; Tel: (039) 833 1038/033 702 3000, Fax: (039) 833 1179

12 October 2016

MEMO TO ALL SENIOR MANAGERS, MIDDLE MANAGERS, PROGRAMME AND PROJECT MANAGERS ON COST CONTAINMENT AND FISCAL AUSTERITY MEASURES AT DR NKOSAZANA DLAMINI ZUMA LM

BACKGROUND

National Treasury has released guidance on expenditure called Circular 82 which outlines a number of key procedures to be taken into account in managing budgeting in expenditure of public money. The Circular requires that all state departments, entities and Municipalities must exercise maximum fiscal restraint and discipline when doing expenditure in order to save money and add value to the organization. Challenges relating to service delivery continue every day and each time our system of local government is facing new challenges that require lots of money. This has placed a serious challenge on our government such that the treasury is unable to meet all our service delivery obligations in a very short space of time.

DISCUSSION

The Council of Dr Nkosazana Dlamini Zuma Local Municipality at its meeting on the 29 August 2016 adopted cost containment measures as outlined in Circular 82 of the National Treasury.

In line with the decision of Council, as an Accounting Officer I call upon all persons that have power to do planning and take decisions relating to finance and expenditure to heed the call made by Council.

All goods and services purchased must bring in value for money. This we can only achieve if our procurement processes and decision-making relating thereto are done with due care and adequate product or service research has been done by persons doing procurement.

PLEASE TAKE NOTE OF THE FOLLOWING MATTERS

1. Only Senior Managers may use their own vehicles to perform Municipal duties. No other staff member may use their own vehicle to perform Municipal duty except with written authorisation from their relevant Senior Manager.
2. All trips to be done on private vehicles must be authorised by the Municipal Manager in the case of Senior Manager and relevant Senior

Manager in the case of any other staff member where a need has been identified.

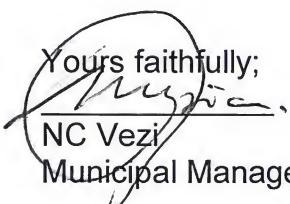
3. No trips must be done by staff on private vehicles without prior approval by the relevant Senior Manager.
4. All claims for travelling shall be paid in terms of the rates as prescribed by the Department of Transport and any travel claims paid in terms of AA or any other rates shall be deemed fruitless and wasteful expenditure.
5. The choice of hotel accommodation shall be such that it is of acceptable value and standard. While it is not the intention of Management to use dilapidated hotels for our staff, due care must be taken that we do not use expensive accommodation that will bleed the organisation dry.
6. Standard rooms at Grade 3 hotels must be used and government rates must be paid for food and drinks.
7. Training must be done at institutions available in the province of KwaZulu-Natal and only in exceptional cases where such training is not available in KZN, can it be done outside the province and in that case only the Municipal Manager shall have authority to approve staff attendance to such training. This means that NO EMPLOYEE shall undertake training outside KZN without the approval of the Municipal Manager.
8. All air travel must be in Economy Class and the most affordable airline must be used. Should a need arise for anyone to travel on Business Class, such shall need the approval of the Municipal Manager.
9. Servicing and repairs on vehicles must be done in an economical way and responsible persons must ensure that adequate research is conducted to ensure the value for money.
10. All fruitless and wasteful expenditure must be recovered from responsible persons.
11. The Telephone Management System must be implemented fully and staff must be given pin codes. All private calls must be to the account of the employee concerned.
12. All air cons, heaters and other electricity consuming equipment must be switched off when staff leave offices for home and during weekends in order to reduce electricity consumption.
13. The Document Management System must be used instead of hard copies in order to reduce costs associated with printing.
14. Cell phones and 3G cards must only be issued to staff whose duties require such devices and these must be used optimally. Municipal Cell phones and 3G cards are not a right but a privilege offered to staff to perform duties assigned to them.
15. Catering must only be provided to Portfolio Committee meetings, Executive Committee, Council, Audit Committee and other meetings with outsiders that will last 3 hours or more. No catering must be provided to Staff Meetings.
16. Tap water must be used to drink at meetings instead of distilled water that we buy from shops. As a Municipality we shouldn't be scared and shy to drink the same water that we supply to our people. If the water is

- not good enough for us to drink, then it must be like that also for the community.
17. All requests for any staff to work overtime must be approved by the Municipal Manager before the work is undertaken.
 18. All overtime claims where the application does not have the b **APPROVED** stamp of the Municipal Manager or any form of proof of authorisation must not be paid.

CONCLUSION

Once again I need to emphasise that the success of NDZ LM is entirely dependent on its ability to meet its service delivery obligations over a long term. Management will always be vigilant not to conduct the affairs of the Municipality in a way that will bankrupt us in the future. In that we need the support of Council, staff and the community.

Prudent, honesty transparent financial management and good governance are a cornerstone of Developmental Local Government as envisioned in the Constitution, 1996, the White Paper on Local Government, the MFMA and the Systems Act.


Yours faithfully;

NC Vezi
Municipal Manager